



Missouri Department of Natural Resources Energy Center

MISSOURI ENERGY BULLETIN

May 6, 2004

Energy prices and supplies shown throughout this bulletin are from May 3, 2004 unless otherwise noted. Also shown are energy data from a month ago, Apr. 5, 2004, and from a year ago, May 5, 2003.

Transportation Fuels

On May 3, the U.S. average retail price for regular gasoline was over 33 cents higher than at this time last year due to very strong consumer demand at 9.1 million barrels per day over the last 4-weeks, exceeding last year's demand by over 0.5 million barrels per day.

- The average retail price paid for regular unleaded gasoline in **Missouri**, throughout this last month, increased by 12.1 cents per gallon (7 percent) moving from 163.7 to 175.8 cents per gallon. Throughout this last year, the price paid increased by 39.6 cents per gallon moving from 136.2 to 175.8 cents per gallon, an increase of 29 percent.
- The average retail price paid for regular unleaded gasoline in the **United States**, throughout this last month, increased 6.4 cents per gallon (4 percent) moving from 178.0 to 184.4 cents per gallon. Throughout this last year, the price paid increased by 33.1 cents per gallon, an increase of 22 percent.
- The average retail price paid for highway diesel fuel in **Missouri**, throughout this last month, increased by 6.9 cents per gallon (4 percent) moving from 156.7 to 163.6 cents per gallon. Throughout this last year, the price paid increased by 26.3 cents per gallon moving from 137.3 to 163.6 cents per gallon, an increase of 19 percent.
- Total motor gasoline stocks in the **Midwest**, throughout this last month (Apr. 2 to Apr. 30) were down by 2.6 million barrels (5 percent) moving from 52.5 to 49.9 million barrels. In the **United States**, stocks were up by 3.9 million barrels moving from 200.1 to 204.0 million barrels, an increase of 2 percent.
- Total motor gasoline stocks in the **Midwest**, throughout this last year (May 2, 2003 to Apr. 30, 2004), were up by 1.6 million barrels (3 percent) moving from 48.3 to 49.9 million barrels. In the **United States**, stocks were down by 3.8 million barrels moving from 207.8 to 204.0 million barrels, a

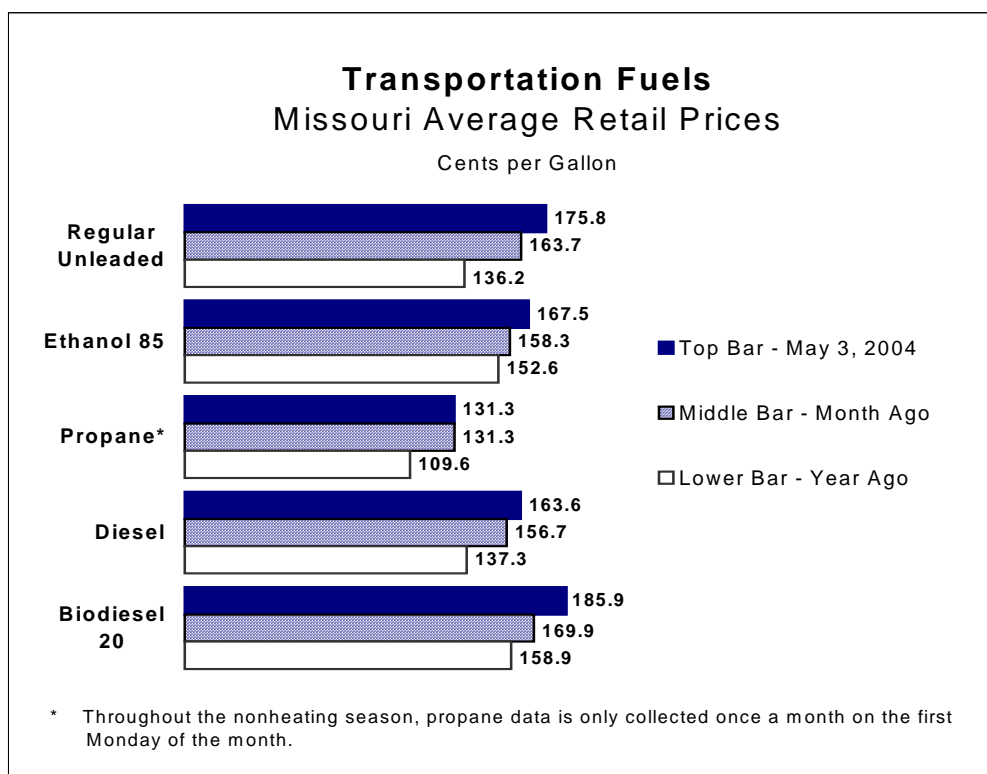
Regular Unleaded Gasoline Average Retail Prices in the U.S., Midwest, Missouri and Missouri Regions

May 3, 2004 Fuel Data in Cents per Gallon

U.S.	184.4
Midwest	182.0
Missouri	175.8
Central, Mo.	175.9
Kansas City, Mo.	177.7
Northeast, Mo.	177.5
Northwest, Mo.	175.9
St. Louis, Mo.	175.9
Southeast, Mo.	171.9
Southwest, Mo.	176.3

decrease of 2 percent.

- A special survey conducted by the Missouri Energy Center on May 6 of the St. Louis area, which is required to use reformulated gasoline to meet clean air standards, indicated gasoline prices increased an average of \$0.113 from May 3 to May 6, moving from \$1.759 to \$1.872.
- Gasoline and crude oil prices have been pushed higher at the NYMEX in response to the foiled attack on the oil terminal at Basra, Iraq on April 24 and an attack on a petrochemical plant at Yanbu, Saudi Arabia on May 1. June gasoline futures prices hit an all time high of \$1.31 on May 5 in response to the attacks and lingering concerns about adequate supplies during the summer driving season. For the week ending April 30, domestic production increased by 60,000 barrels per day while imports fell by 153,000 per day.

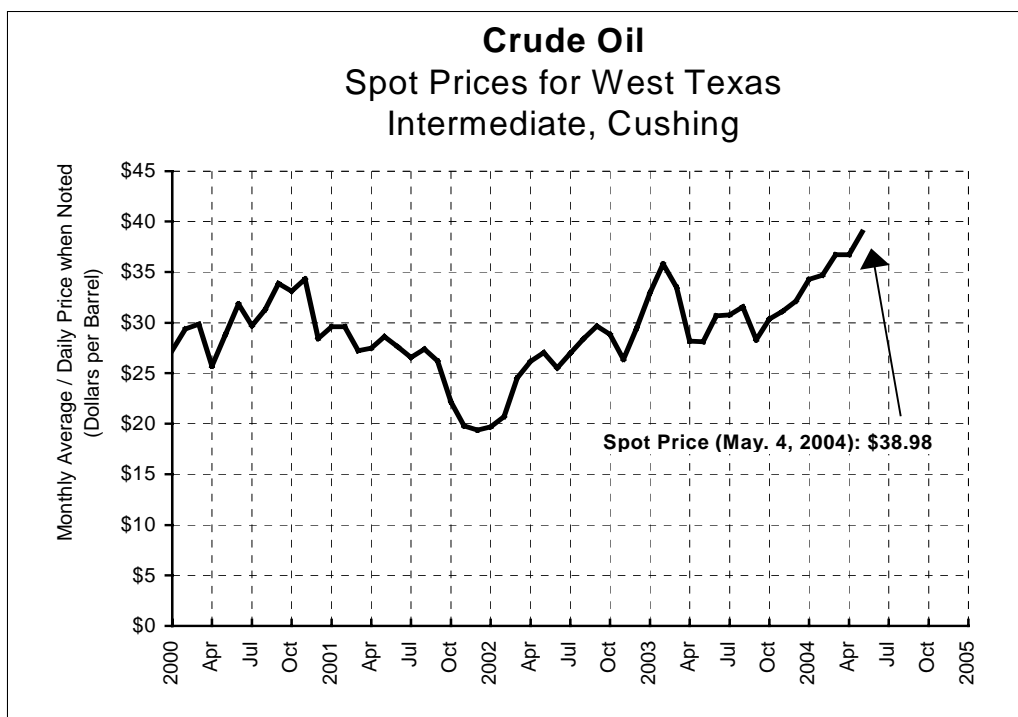


Crude Oil

Crude prices increased to nearly \$40 per barrel on May 5 following attacks on petroleum infrastructure in Iraq and Saudi Arabia over the last 10 days.

- The spot price of crude oil (West Texas Intermediate - Cushing), throughout this last *month* (Apr. 5 to May 4), increased by 4.60 dollars per barrel (13 percent) moving from 34.38 to 38.98 dollars per barrel. Throughout this last *year* (May 5, 2003 to May 4, 2004), the spot price increased by 12.50 dollars per barrel moving from 26.48 to 38.98 dollars per barrel, an increase of 47 percent. (Source: *Wall Street Journal*)

- The EIA reports U.S. commercial crude stocks at 298.9 million barrels, an increase of just 100,000 since the prior week but 11.7 million barrels higher compared to this time last year. Crude supplies continue to track at the lower range of the 5-year average.
- Crude prices are supported by a very strong consumer demand for gasoline and other finished petroleum products. Very high gasoline prices are supporting higher crude prices in spite of a supply surplus of crude compared to last year at this time.



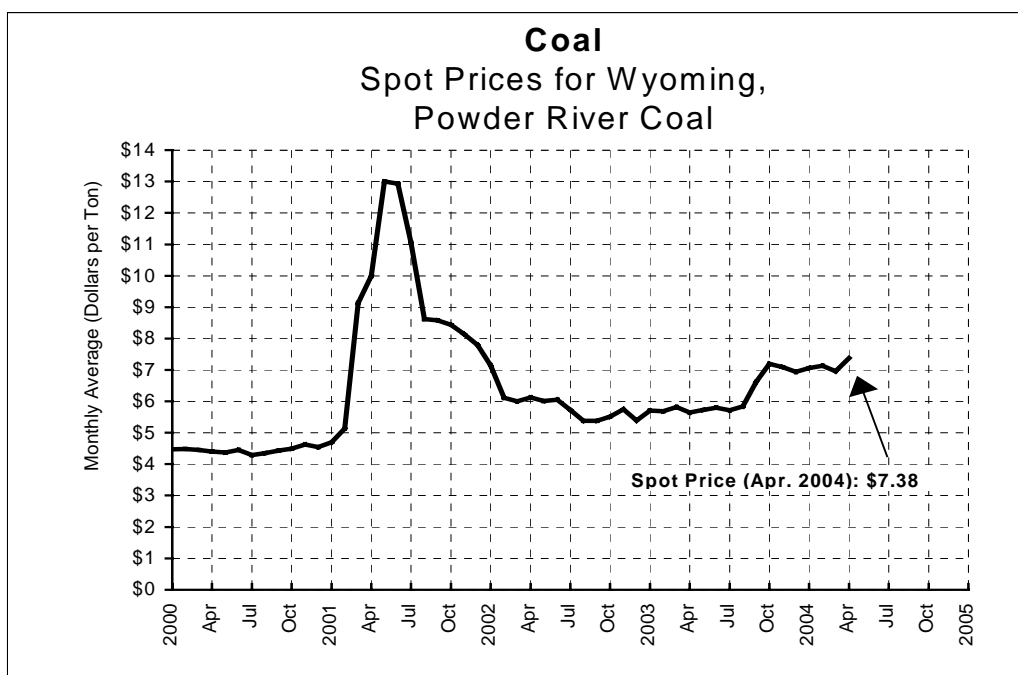
Coal

Coal-fired electric power plants located in Missouri produced 84 percent of all electric power used throughout the state in 2001. Of all coal delivered to Missouri during 2000, about 96 percent came from Wyoming.

The average price paid for Powder River Wyoming coal is 31 percent higher than last year at this time.

- The monthly average price paid for Wyoming, Powder River coal, throughout this last month (Mar. to Apr.), increased by 0.42 dollars (6 percent) moving from 6.96 to 7.38 dollars per ton. Throughout this last year (Apr. 2003 to Apr. 2004), the average price paid increased by 1.73 dollars moving from 5.65 to 7.38 dollars per ton, an increase of 31 percent. (Source: *Wyoming Insight*, Apr. 23, 2004)
- Estimated coal production for the week ending Apr. 24 was 20.926 million short tons (mmst). This was 2.2 percent above the comparable week in 2003. Year-to-date U.S. coal production is estimated at 338.8 mmst, or 0.8 percent ahead of the corresponding total for 2003.
- After several years of declining U.S. exports, the hot international market and weak dollar are diverting Appalachian high-Btu steam coal and low-sulfur metallurgical coal to the export market, particularly

exports to China due to a booming steel industry.



Heating Fuels

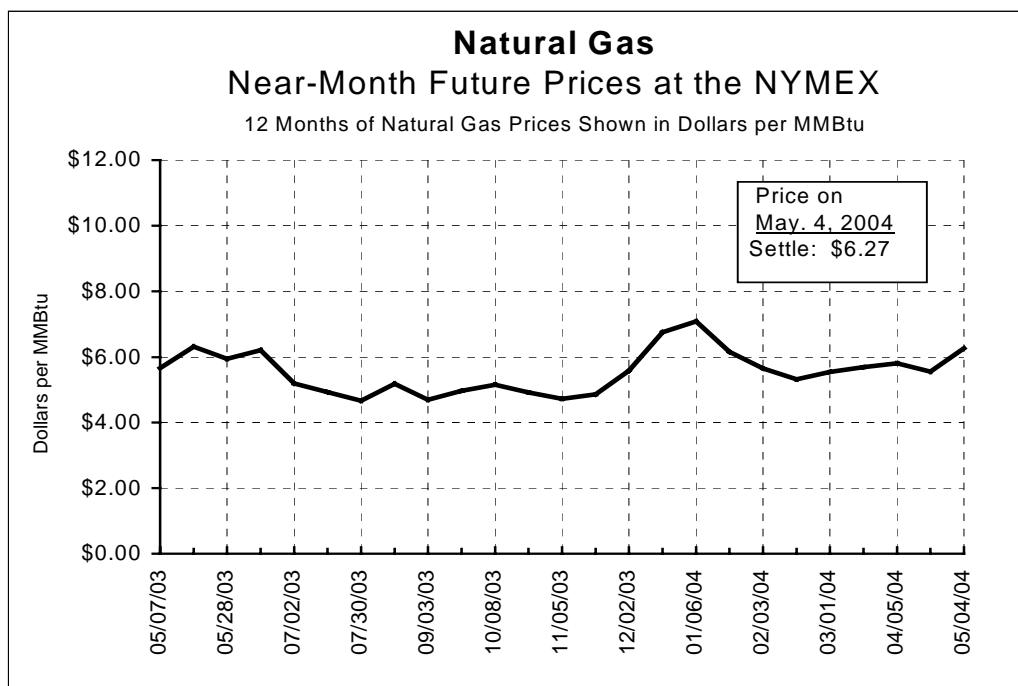
Heating fuels tracked in the Missouri Energy Bulletin include natural gas, propane and residential heating oil. All heating fuel prices and supplies shown from October through March are updated in every new release of the bulletin. From April through September, propane and heating oil prices and supplies are either not available or revised once a month.

Natural Gas

Warming weather is helping to push natural gas prices higher as natural gas fired electric generation systems begin to meet anticipated cooling demand.

- The spot price for natural gas at the Henry Hub, throughout this last *month* (Apr. 5 to May 4), increased by 0.08 dollars per MMBtu (1 percent) moving from 5.73 to 5.81 dollars per MMBtu. Throughout this last *year* (May 5, 2003 to May 4, 2004), the price paid increased by 0.45 dollars per MMBtu moving from 5.36 to 5.81 dollars per MMBtu, an increase of 8 percent. (Source: *Wall Street Journal*)
- The near-month contract settlement price paid for natural gas futures at the NYMEX, throughout this last *month* (Apr. 5 to May 4), increased by 0.47 dollars per MMBtu (8 percent) moving from 5.80 to 6.27 dollars per MMBtu. Throughout this last *year* (May 7, 2003 to May 4, 2004), the price paid increased by 0.61 dollars per MMBtu moving from 5.66 to 6.27 dollars per MMBtu, an increase of 11 percent. (Source: *Wall Street Journal*)
- Natural gas spot prices at most market locations increased 20 to 40 cents per MMBtu owing to higher crude oil prices and the prospect of higher demand with the approaching cooling season.

- Estimated working gas in underground storage was 1,227 Bcf as of April 30, which is 2.2 percent below the 5-year average inventory level for the report week, according to EIA's *Weekly Natural Gas Storage Report*. The implied net change in inventories was an injection of 72 Bcf, which is about 11 percent higher than the 5-year average injection of 65 Bcf but 12 percent lower than last year's injection of 82 Bcf for the report week. As a result, the year-to-year surplus in inventories dropped to 391 Bcf, while the deficit to the 5-year average fell slightly to 27 Bcf.

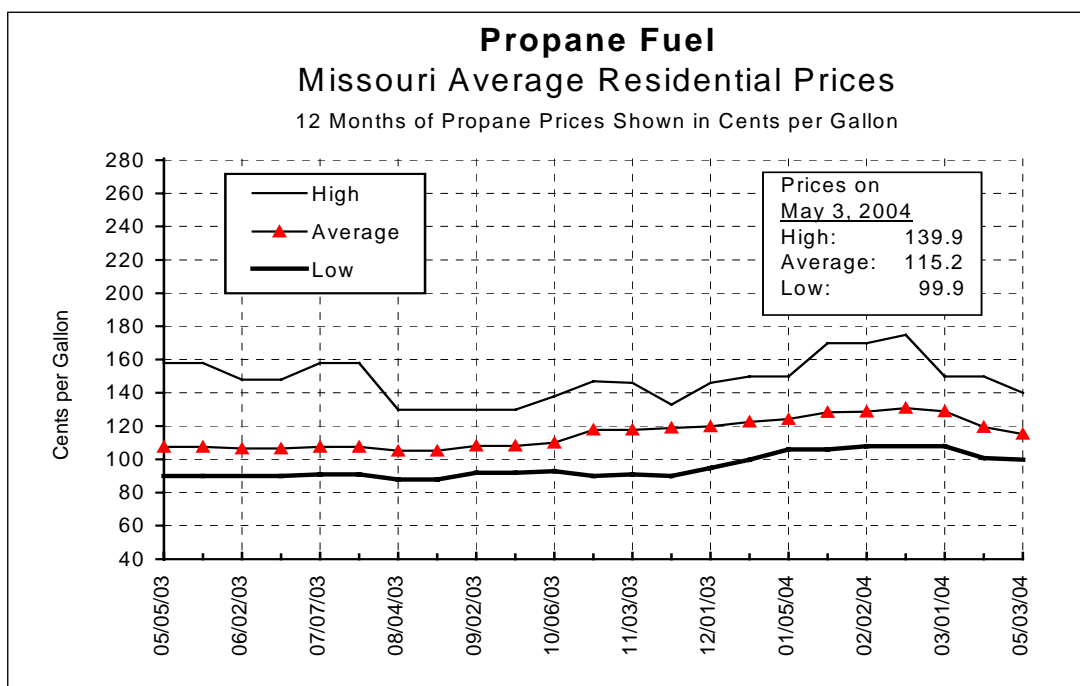


Propane

Midwest propane supplies improved by 2.2 million barrels in April, placing supplies at 12 million barrels compared with 7.4 million barrels at this time last year.

- Propane stocks in the **United States**, throughout this last month (Apr. 2 to Apr. 30), were up by 3.9 million barrels moving from 27.3 to 31.2 million barrels, an increase of 14 percent. In the **Midwest**, stocks were up by 2.2 million barrels (23 percent) moving from 9.8 to 12.0 million barrels.
- Propane stocks in the **United States**, throughout this last year (May 2, 2003 to Apr. 30, 2004), were up by 7.7 million barrels (33 percent) moving from 23.5 to 31.2 million barrels. In the **Midwest**, stocks were up by 4.7 million barrels moving from 7.4 to 12.0 million barrels, an increase of 63 percent. Cold temperatures during the winter of 2002-2003 resulted in propane stocks that were significantly lower at the end of the heating season.
- The cumulative April stockbuild totaled 3.9 million barrels, about 10 percent below the average build recorded over the most recent 5-year period from 1999 through 2003. Primary inventories of propane moved up to end the week of April 30, 2004 at an estimated 31.2 million barrels, a level that remains

near the lower boundary of the normal range for this period.



Residential Heating Oil

- Residential heating oil stocks in the **Midwest**, throughout this last month (Apr. 2 to Apr. 30), were up by 1.9 million barrels (31 percent) moving from 6.2 to 8.1 million barrels. In the **United States**, stocks were down by 1.7 million barrels (4 percent) moving from 40.4 to 38.7 million barrels.
- Stocks in the **Midwest**, throughout this last year (May 2, 2003 to Apr. 30, 2004), were up by 0.5 million barrels (7 percent) moving from 7.6 to 8.1 million barrels. In the **United States**, stocks were up by 6.3 million barrels (19 percent) moving from 32.4 to 38.7 million barrels.
- U.S. distillate supplies improved by more than 2.4 million barrels for the week ending April 30 placing supplies at 107.2 million barrels, 9.9 million barrels above last year's level. Distillate demand fell by 197,000 barrels per day (b/d), moving from 4.08 million b/d from the previous week to 3.85 million b/d. Distillate demand last year at this time was 3.88 million b/d.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers.